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LETTER DATED 22 OCTOBER 1999 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

In several of my reports to the Security Council on the humanitarian programme in Iraq pursuant to resolution 986 (1995), including my latest report (S/1999/896 and Corr. 1), I have expressed concern about delays in the approval of applications submitted to the Security Council Committee established pursuant to resolution 661 (1990). In particular, I have referred to the growing number of holds placed on applications and the resultant serious implications for the implementation of the humanitarian programme.

In this connection, I attach, for the information of the members of the Security Council, a note addressed to me by the Executive Director of the Iraq Programme. As indicated in that note, the number of holds placed on applications by the Security Council Committee has continued to increase in the two-month period that has passed since the submission of my last report to the Council, on 19 August 1999.

To enable the Iraq Programme to meet the humanitarian objectives set forth in resolutions 986 (1995) and 1153 (1998) it is highly desirable to find a prompt solution to this problem. To this effect, I believe it would be very helpful if the Committee could undertake an early review of all applications currently on hold with a view to expediting a decision, as appropriate, in each case.

(Signed) Kofi A. ANNAN

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Annex

Note dated 22 October 1999 addressed to the Secretary-General by the Executive Director of the Iraq Programme

Holds on applications

In your most recent report to the Security Council on the humanitarian programme in Iraq pursuant to Security Council resolution 986 (1995), submitted on 19 August 1999, you stated that there had been a significant increase in the number of holds being placed on applications, with serious implications for the implementation of the humanitarian programme; you also recommended that an all-out effort be made to review further all the holds concerned and to expedite the approval of applications, in order to ensure the timely and effective implementation of the programme (S/1999/896 and Corr.1, para. 101).

While some effort has been made recently by members of the Security Council Committee established by resolution 661 (1990) in lifting holds on drought-related applications, as well as for applications related to water and sanitation and oil spare parts, the number of holds overall continues to increase. Since your report to the Security Council of 19 August 1999, the number of holds on applications has increased from 475 (total value about $500 million) to 572 (total value about $700 million). As at 12 October 1999, for example, 23.7 per cent of applications circulated under phase V had been placed on hold. There is a high level of holds on applications circulated under phase V for telecommunications (100 per cent), electricity (65.5 per cent), water and sanitation (53.4 per cent) and oil spare parts and equipment (43 per cent). It is also noted that the time required by members of the Committee to review holds is becoming longer, on average 34 days.

It is, of course, well understood that with large-scale and complex contracts, in particular those involving infrastructure, more time is needed by members of the Committee to consult with their authorities and to review applications circulated by the Office of the Iraq Programme for their consideration and approval.

Nonetheless, unless immediate measures are taken by all concerned, including both the Committee and the Government of Iraq, the serious difficulties already being experienced in the implementation of the programme will be exacerbated.

Accordingly, the Office of the Iraq Programme has further intensified its efforts to assist the Committee in carrying out its responsibilities for a thorough and timely review of applications circulated. The information the Office seeks to provide, in consultation with all concerned parties, includes priorities, interrelated and time-sensitive applications, required delivery dates, potential dual-use items and spare parts and any additional information which might be useful to the Committee in its consideration of applications.

As requests by members of the Committee for additional technical details account for almost half the applications placed on hold, we have just finalized

guidelines to assist applicants in providing more details prior to circulation and consideration of applications by the Committee. Early provision of detailed technical information by the Government of Iraq and its suppliers could contribute to reducing the number and duration of holds.

The second most common reason given for holds relates to concerns about end users. In accordance with the purposes set out in paragraph 4 of resolution 1153 (1998), we have sought to deploy the United Nations observers in Iraq in such a way as to provide, to the extent possible, the required assurances to the Committee that all supplies authorized for procurement, including potential dual-use items, are indeed utilized for the purpose for which they have been authorized. In addition to keeping the Committee fully informed on a regular basis of the status of holds on applications, we have arranged briefings by experts in order to provide additional clarifications and/or technical advice.

Another serious issue occurs when an application or a number of interrelated or complementary applications have been approved by the Committee, and the related supplies and spare parts or equipment have arrived in Iraq but are then kept in storage for an extended period because another interrelated or complementary application is on hold. The absence of a single item of equipment, sometimes insignificant in size or value, can be sufficient to prevent the completion of an entire project.

In consultation with the Government of Iraq, the United Nations Office of the Humanitarian Coordinator in Iraq and the United Nations agencies and programmes concerned, we have been reviewing the inventory of supplies and equipment in government warehouses, provided under the programme, in order to identify items that have arrived in Iraq but cannot be utilized because of holds on complementary inputs, thus causing delays in the implementation of specific activities or projects.

It is evident that efforts by the members of the Security Council Committee and the Secretariat alone will not be sufficient to resolve the difficulties being experienced at present. A special effort is also needed on the part of the Government of Iraq as well as its suppliers in providing the detailed information required by the Committee in a timely manner.

We will continue to consult with the Government of Iraq with a view to presenting requirements on the basis of interlinked projects rather than general allocations for each sector. This was the approach proposed in your supplementary report to the Security Council of 1 February 1998 (S/1998/90) and subsequently endorsed in paragraph 5 of resolution 1153 (1998). As noted in paragraph 23 of the report, in many sectors the underlying procurement framework of the distribution plans has not fostered an approach where humanitarian problems have been addressed by a corresponding project to target appropriate resources.

In this context, I have requested the Government to inform the Office of the Iraq Programme as soon as interrelated contracts relating to the same project are concluded between the Government and its suppliers so that the Office can present those applications to the Committee in a manner which makes clear the linkages between the different items being procured.

I have also requested that the Office of the Humanitarian Coordinator in Iraq, in consultation with the Government of Iraq and the United Nations agencies and programmes, provide the Office of the Iraq Programme, on a regular basis, with detailed reports on the impact of holds on the implementation of the programme. This has been requested in the past but takes on particular urgency and importance given the current level of holds. The Office of the Iraq Programme will submit those reports to the Committee.

While remaining realistic about the prospects for significant improvement in the current situation, I believe it would be important for the Security Council and its Committee to keep under constant review, in as flexible and pragmatic a manner as possible, all procedures and activities regarding the implementation of the programme, in order to resolve any difficulties faced in the implementation process.

(Signed) Benon V. SEVAN
Executive Director
Office of the Iraq Programme